

### **103 KAR 43:010. Accountable Losses.**

RELATES TO: KRS 138.210, 138.220

STATUTORY AUTHORITY: KRS 131.130, 138.226

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of Kentucky tax laws. This administrative regulation, under authority of KRS 138.226, interprets the statute dealing with accountable losses and excludes non licensed dealers.

Section 1. No allowance for losses of gasoline or special fuels on which the Kentucky tax has been paid can be made on gasoline or special fuels held in retail filling stations or in tanks other than bulk plant or distribution tanks by licensed dealers and gasoline or special fuels held in any tanks by parties other than licensed dealers. Such gasoline or special fuels having passed the statutory process of "receiving," the act of use, sale, distribution or delivery, on which the tax is levied, has already occurred.

Section 2. An allowance may be made by the department for a loss of "received" gasoline or special fuels held in bulk and distribution tanks by licensed dealers from which sale or delivery is made, provided an affidavit signed by the licensed gasoline or special fuels dealer is furnished the department.

Section 3. If, after investigation, the losses are proved to the satisfaction of the department to have occurred the dealer will be advised to make a deduction from subsequent monthly reports equal to the amount of such approved losses. (GL-2; 1 Ky.R. 711; eff. 5-14-1975; 15 Ky.R. 1661; eff. 3-23-1989; TAm eff. 5-20-2009; TAm eff. 6-28-2016; Crt eff. 1-28-2020; 46 Ky.R. 1606; eff. 5-5-2020.)